

**SECRETARIAL PRACTICE (52)**

Time: 3 Hrs.

Max. Marks: 80

**Note:**

- i. All questions are compulsory
- ii. Figures to the right indicate full marks for the questions.
- iii. Figures to the left indicate question numbers
- iv. Answer to every question must be started on a new page.

**Q.1. (A) Select the correct answer from the options given below and rewrite the sentences:**

(5) [20]

- 1) A company has to pay \_\_\_\_\_ to the government.  
(a) Taxes      (b) Dividend      (c) Interest
- 2) \_\_\_\_\_ shares are issued free of cost to existing equity shareholders.  
(a) Equity      (b) Right      (c) Bonus
- 3) \_\_\_\_\_ is a proof of the title of shares.  
(a) Register of Members (b) Share Certificate      (c) Letter of Allotment
- 4) Debenture Capital is a \_\_\_\_\_ capital of a company.  
(a) Owned      (b) Permanent      (c) Borrowed
- 5) Dividend is paid first to \_\_\_\_\_ shareholders.  
(a) Equity      (b) Preference      (c) Deferred

**(B) State whether the following statements are True or False:**

(5)

- 1) Finance is related to money and money management.
- 2) Share Certificate is issued for partly or fully paid-up shares.
- 3) A government company can collect deposits from its members.
- 4) Depositors are given voting rights.
- 5) The primary market is also known as the new issue market.

**(C) Find the odd one:**

(5)

- 1) Face Value, Market Value, Redemption Value.
- 2) Convertible Debentures, Irredeemable Debentures, Secured Debentures.
- 3) Dividend Warrant, Interest Warrant, Penalty.
- 4) DP, NSDL, Depository.
- 5) Final Dividend, Interim Dividend, Interest.

**(D) Match the following pairs:**

(5)

Group A	Group B
(a) Equity Shares	1) _____
(b) Operation of Law	2) _____
(c) _____	3) Fluctuating Rate of Dividend
(d) Dematerialization	4) _____
(e) _____	5) Transmission of Shares

[Issued within 6 months of allotment, Physical to electronic mode, Fluctuating rate of dividend, Bombay Stock Exchange, Transmission of shares]

**Q.2. Explain the following terms/concepts (Any FOUR):**

[8]

- 1) Working Capital
- 2) Overdraft
- 3) Rights Issue
- 4) Depository Participant (DP)
- 5) Secondary Market
- 6) Stock Exchange

**Q.3. Study the following cases/situations and express your opinion (Any TWO):**

[6]

**1.** Sai Ltd., a newly incorporated public company, wants to raise capital by selling equity shares to the public. The Board of Directors is considering various options for this. Advise the Board on the following matters:

- (a) What should the company offer - IPO or FPO?
- (b) Can the company offer Bonus Shares to raise its capital?
- (c) Can the company enter into an Underwriting Agreement?

**2.** Mr. Kishore wants to dematerialize his 25 shares of Hero Company Ltd., bearing Certificate No. 100 and Distinctive No. 76-100:

- (a) Which form is he required to fill as a written request to the DP - DRF or RRF?
- (b) Does he have to fill an instrument of transfer if he wishes to transfer the same after dematerialization?
- (c) Does he have to quote Certificate Number and Distinctive Number if he wishes to transfer his shares after they are in dematerialized form?

**3.** Diamond Company Limited is considering declaring an Interim Dividend:

- (a) In how many days of declaration should it transfer the funds to the Dividend Account?
- (b) In how many days must it pay the dividend to shareholders?
- (c) Can the Board of Directors declare an Interim Dividend out of capital?

**Q.4. Distinguish between the following (Any THREE):**

[12]

- 1) Fixed Capital and Working Capital
- 2) Shares and Debentures
- 3) Initial Public Offer (IPO) and Further Public Offer (FPO)
- 4) Final Dividend and Interim Dividend

**Q.5. Answer in brief (Any TWO):**

[8]

- 1) State the contents of a Share Certificate.
- 2) Explain four advantages of the Depository System for an investor.
- 3) State the functions of SEBI.

**Q.6. Justify the following statements (Any TWO):**

**[8]**

- 1) A company can issue only certain types of debentures.
- 2) All companies cannot accept deposits from the public.
- 3) Equity shares get the last priority in the payment of dividends.
- 4) The capital market is useful for the corporate sector.

**Q.7. Attempt the following (Any TWO):**

**[10]**

- 1) Write a letter to a member for the issue of a Share Certificate.
- 2) Draft a letter to a debenture holder informing them about the redemption of debentures.
- 3) Draft a letter to a depositor regarding the repayment of their deposit.

**Q.8. Answer the following questions (Any ONE):**

**[8]**

- 1) What is an Equity Share? Explain its features.
- 2) Explain the statutory provisions for the allotment of shares.